

Montgomery County Land Reutilization Corporation (MCLRC)
July Board Meeting
VIA Zoom Video Conference
July 21, 2020

Attendees: Carolyn Rice, Montgomery County Commissioner (Chair of the Board)
Doug Harnish, Principle, Market Metrics (Vice Chair of the Board)
Russ Joseph, Treasurer (Board Member)
Sharon Lowry, Trustee, Washington Township (Board Member)
Sheila Crane, Realtor/Community Dev. Specialist, HER Realtors (Board Member)
Todd Kinsky, Director of Plan. & Comm. Dev., City of Dayton (Board Member)
Judy Dodge, Montgomery County Commissioner (Board Member)
David Williamson, MCLRC (General Counsel)
Mike Grauwelman, MCLRC (Executive Director)
Darren Andrews, Dir. of Finance, Treasurer's Office (Treasurer)
Angela Lilly, Montgomery County Treasurer's Office (Secretary)
Paul Bradley, Assistant Treasurer, Montgomery County Treasurer's Office
Zach Zugelder, Executive Assistant, Montgomery County Treasurer's Office

Absent:
(Copies To)

Call to Order

Carolyn Rice, Chair of the Board, noting a quorum, called the meeting to order. A copy of the agenda is attached for reference.

Approval of Minutes

Doug Harnish moved to approve the June 17, 2020 Board meeting minutes. The motion was seconded by Sheila Crane and approved unanimously by voice vote.

New Business – Item No. 1: Credit Card Policy

The 2019 audit identified that the organization did not have a documented credit card policy in place. A credit card policy has been created and a compliance officer has been assigned to review and validate credit card purchases. Mike Grauwelman, Karen Kenwell and Louise Olson are cardholders of the US Bank Visa cards and the Lowes Home Improvement card. The visa cards are used for travel and equipment purchases and the Lowes card is used primarily to purchase cabinetry for houses in the renovation program. Reward points earned are applied as a credit against purchases. The Steering Committee will review the application of the rewards points annually. Sharon Lowry moved to approve the Credit Card Policy. The motion was seconded by Doug Harnish and approved unanimously by voice vote. *See attached Credit Card Policy for more details.*

New Business – Item No. 2: Acceptance of Funds and Grant Agreement

The Montgomery County Prosecutor's Office has asked the Land Bank to play a fiduciary role between its office and Omega Baptist Church or its designee. The Prosecutor's Office is providing \$150,000 to support the demolition of one of the structures on the former United Theological Seminary campus in support of Omega Baptist's redevelopment of the site. Historically, Omega Baptist received a \$100,000 grant directly from the Land Bank in 2013 to tear down a structure. A senior housing project has been built on the site and there are structures nearby that are functionally obsolete and deteriorating. The funds will be transferred through the Board of County Commissioners to the Land Bank. David Williamson, General Counsel for the Board, is currently reviewing the agreement between the Land Bank and Omega Baptist Church. The agreement includes terms and conditions regarding the procurement and demolition process of the building as the Land Bank will not be managing the project directly. As the estimate to demolish the structure is approximately \$250,000, Omega Baptist will be providing the balance. Omega will pay the expenses up front and be reimbursed out of the \$150,000 funds provided by the Prosecutor's Office. The Prosecutor's office has asked that any unused funds be returned to their account. Russ Joseph moved to authorize the acceptance of the funds, enter into a grant agreement with Omega or their designee, and amend the budget to include \$150,000 to support the grant. The motion was seconded by Todd Kinskey and approved unanimously by voice vote. *See attached Board memo for more details.*

Other Business – Financials

The Board did not review the financials as Karen Kenwell, the Controller for the MCLRC is out of the office and unable to provide financials currently.

Other Business – COVID Impacts

Russ Joseph reached out to the Prosecutor's office regarding the best way to move forward with foreclosure cases associated with the Land Bank. He has asked for a meeting with the Prosecutor's office to find a way to expedite the cases in order to avoid additional costs due to delays. As it currently stands, there will be no properties available for the DIY program in seven months as the courts are not hearing foreclosure cases through the end of July. Additionally, due to COVID, staff is working with MVRPC to find ways to engage the communities through various social media and digital outlets.

Other Business – Programs: Demo 2.0

Susie Crabill will be holding a video conference meeting with the communities interested in the Demo 2.0 program as the guidelines and agreements are in order and the program is ready to begin moving forward. Communities need to acknowledge participation as it is a fund match program.

Other Business – Strategic Planning Session

Mike Grauwelman is preparing for a strategic planning session in September with the Board. He will be reaching out individually to the Board members regarding availability. A considerable list of people, including current clients has been identified to complete a questionnaire.

Other Business – Neighborhood Homes Investment Act

The Neighborhood Homes Invest Act is being proposed by Senator’s Brown and Portman. This legislation would bridge the financing gap that exists in neighborhoods like Pineview. If supported by the federal government, it would allow the private sector to build in neighborhoods where property values are too low to support new construction or substantial renovation. *See attached Neighborhood Homes Investment Act for more details.*

Other Business – Rebuilding Together Dayton

Rebuilding Together Dayton will be in the Pineveiw neighborhood on Saturday. Seven homes occupied by senior citizens have been identified as needing some level of assistance with home maintenance and/or repairs (i.e. cleaning gutters, painting, removing debris, etc.). Volunteers are welcome to come out and participate. Several Land Bank staff members will be participating.

Other Business – Executive Session

Russ Joseph moved to adjourn to Executive Session to discuss the sale or purchase of property. Doug Harnish seconded the motion. Carolyn Rice took roll call of those Board members in favor of entering Executive Session.

Roll Call:

Doug Harnish, aye
Russ Joseph, aye
Todd Kinskey, aye
Sheila Crane, aye
Sharon Lowry, aye
Judy Dodge, aye
Carolyn Rice, aye

Todd Kinskey moved to exit Executive Session. Sharon Lowry seconded the motion. Carolyn Rice took roll call of those Board members in favor of exiting Executive Session.

Roll Call:

Doug Harnish, aye
Russ Joseph, aye
Todd Kinskey, aye
Sheila Crane, aye
Sharon Lowry, aye
Judy Dodge, aye
Carolyn Rice, aye

Announcement

The next Board meeting is scheduled for Tuesday, August 18, 2020.

Call to Adjourn

There being no further business, Doug Harnish moved to adjourn the meeting. The motion was seconded by Judy Dodge and approved unanimously by voice vote.

I hereby certify that the minutes related to the Board of Directors' monthly meeting July 21, 2020 set forth above are the minutes approved by the Board of Directors at their meeting of April 20, 2021.

/s/ Angela Lilly
Angela Lilly, Secretary
Montgomery County Land Reutilization Corporation



Board Meeting Agenda

Montgomery County Land Reutilization Corporation

July 21, 2020 3:30 pm

MEETING VIA ZOOM VIDEO CONFERANCE

Call to Order: Carolyn Rice, Chair

Roll Call:

Approval of Minutes: June 17, 2020 (Attached)

Old Business:

New Business:

- **Item No 1. Credit Card Policy (Attachment)**
 - Presentation and Discussion
 - Motion to Approve

- **Item No 2. Acceptance of Funds and Grant Agreement (Attachment)**
 - Presentation and Discussion
 - Motion to Approve

Other Business:

- **Financials**
- **COVID Impacts**
- **Programs: Demo 2.0**
- **Strategic Planning Session**
- **Forms**

Adjourn to Executive Session To Discuss the Sale or Purchase of Property

Next Meeting: August 18, 2020 @ 3:30 pm

Adjourn

To: MCLRC Board of Directors
From: Mike Grauwelman, Executive Director
Subject: July Agenda
Date: July 17, 2020



Below is summary information concerning the actions you are being asked to take at the July meeting.

Item No. 1 – Credit Card Policy

Action Requested: Approval of the Credit Card Policy.

The 2019 audit identified that the organization did not have a documented credit card policy in place, or adopted by the Board as will be required in 2020. Attached is a credit card policy to address this new requirement.

Item No. 2 – Acceptance of Funds and Grant Agreement

Action Requested: Authorization to Acceptance Funds, Enter into a Grant Agreement, amending the Budget to include \$150,000 to support the grant, and the ability to return any unused funds.

The Land Bank has been asked to play a role in providing financial assistance from the Montgomery County Prosecutors Office in support of the redevelopment of the United Theological Seminary on Harvard Boulevard in west Dayton. The redevelopment is being undertaken by Omega Baptist Church and its Community Development Corporation. In order to support the transaction the Board is being asked to take certain actions to enable the organization to play this fiduciary role, which would be provided as a service to the community. A description of the transaction is provided below.

The Prosecutors Office has agreed to provide the Omega development effort \$150,000 from Delinquent Tax Collection (DTC) funds committed to that office for the demolition of a building or buildings. Funding will flow from MC Prosecutors Office to Land Bank via MC Board of County Commissioners, and the Land Bank will administer a grant to the development for specified building. The award amount is limited to a maximum \$150,000, and no proceeds will be from the Land Bank funds. Contracting and contract management will be Omega's responsibility. Allowable expenses will include environmental survey and remediation, demolition, disposal, and site restoration. The structures identified for demolition include Roberts and / or Fout Hall.

The terms of the grant agreement between the Land Bank and Omega will include:

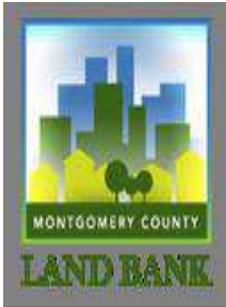
- Reimbursable Grant to Omega (Specifically which Omega entity (Church, CIC, other) is to be determined.)
- Documentation required for reimbursement:
 - All project expenses and Omega payment
 - Compliance with all applicable removal, permitting, and disposal regulations
- Land Bank Pre Bid Scope of Work Review and Approval
- Land Bank Procurement Process and Bid Award Review and Approval

The Board is being asked to accept the funds, authorize the commitment of those funds to the Omega project, amend the budget to reflect the activity as a line item, and return any uncommitted funds.

Other Items:

- Financials
- COVID Impacts
- Programs: Demo 2.0
- Strategic Planning Session

Executive Session to Discuss the Sale or Purchase of Property



MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION

CREDIT CARD POLICY

The Montgomery County Land Reutilization Corporation (MCLRC) recognizes the value of an efficient method of payment and record keeping for certain expenses.

The MCLRC Board of Directors, therefore, authorizes the use of MCLRC credit cards. The name Montgomery County Land Reutilization Corp (or Montgomery County Land Bank) shall appear on each MCLRC credit card and check related to a credit card account held by the MCLRC. A “credit card account” shall include any bank-issued credit card account, store-issued credit card account, financial institution-issued credit card account, financial depository-issued credit card account, affinity credit card account, or any other card account allowing the holder to purchase goods or services on credit or otherwise transact with the account, and any debit or gift card account related to the receipt of grant monies. The term expressly excludes any procurement card account, gasoline or telephone credit card account, or any other card account where merchant category codes are in place as a system of control for use of the account.

The authorization, handling and use of credit cards have been established to provide a convenient and efficient means to purchase goods and services from vendors. Credit cards, however, shall not be used in order to circumvent the general purchasing procedures established by State law and MCLRC policy. However, under no circumstances shall credit cards be used for personal purchases or the purchase of alcoholic beverages regardless of whether the purchase of such beverages is made in connection with a meal. Use of credit cards in an unauthorized or illegal manner may result in revocation of credit card privileges, disciplinary action and/or, where appropriate, may require the user to pay any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase. Additionally, any officer or employee of the MCLRC who knowingly misuses a credit card account is guilty of the criminal offense of misuse of credit cards. Violations will be reported to the appropriate law enforcement authorities and any applicable licensure board(s).

The MCLRC prohibits the use of debit card accounts except for the receipt of grant monies. Any officer or employee of the MCLRC who uses a debit card account for any other purpose is guilty of the criminal offense of misuse of credit cards.

Use of the MCLRC credit card for any cash withdrawal transaction is strictly prohibited.

The maximum limit for any credit card account shall be \$25,000.

The Compliance Officer shall retain general possession and control of the credit card account or presentation instruments related to an account, such as credit cards and checks. The compliance officer should not be the treasurer or fiscal officer and should not be an authorized user of the card or authorize use of the credit card by an individual. In certain instances in which the compliance officer is authorized to use the credit card, the compliance officer must have their credit card statement reviewed by the Executive Director or the MCLRC Board.

A quarterly review process will take place where the compliance officer reviews the number of cards the entity has, the number of active cards the entity has, and the credit limit for each card.

The Controller or the Controller's designee annually will file a report with the MCLRC Steering Committee detailing all rewards received based on the use of the MCLRC credit card account. Any rewards on credit card usage will be used solely for the reduction of approved charges to the credit card.

ADOPTED: _____ DATE: _____

NEIGHBORHOOD HOMES INVESTMENT ACT

The Neighborhood Homes Investment Act (NHIA), H.R. 3316 and S. 4073, would revitalize distressed urban, suburban and rural neighborhoods with federal income tax credits, mobilizing private investment to build and rehabilitate 500,000 homes for low- and moderate-income homeowners over the next decade.

Every state has neighborhoods where the homes are in poor condition and the property values are too low to support new construction or substantial renovation. The lack of move-in ready homes makes it difficult to attract or retain homebuyers, causing property values to decline. The NHIA would break this downward spiral by creating a federal tax credit that covers the gap between the cost of building or renovating homes and the price at which they can be sold, thus making renovation and new home construction possible. The NHIA would also help existing homeowners in these neighborhoods to rehabilitate their homes.

The key attributes of the NHIA are:

Builds Upon the Success of Proven Tools:

- The NHIA is based on the successful Low Income Housing Tax Credit and New Markets Tax Credit, which support affordable rental housing and economic development, respectively, but are not designed to build or rehabilitate owner-occupied homes.
- Tax-exempt mortgage bonds and mortgage credit certificates assist homeowners by reducing mortgage payments, but they cannot cover the development financing gap.
- NHIA would complement these other incentives, not duplicate them.

State Control

- States allocate NHIA tax credit authority on a competitive basis and monitor compliance.
- States have annual tax credit authority totaling about \$2 billion nationwide.
- The IRS will develop regulations, collect national NHIA data, and monitor state agency performance.

Private Market Discipline

- Project sponsors raise capital from investors to finance home building and rehabilitation.
- Tax credits cover the gap between development costs and sales prices, up to 35% of eligible costs.
- Private investors – not the federal government – bear construction and marketing risks.
- Investors claim the tax credits only after construction, inspection, and owner-occupancy.

Targets Communities in Greatest Need

- Homes will be located in communities where the need for private sector investment is greatest – those with high poverty rates, low median family incomes, and low home values.
- 23% of metro census tracts nationwide, and 25% of non-metro census tracts, qualify for NHIA investments.
- States may also use up to 20% of their allocation to serve additional non-metro census tracts and/or existing homeowners in gentrifying census tracts.
- Maps of eligible NHIA communities in each state may be found [here](#).

Limits Homeowner Incomes, Eligible Costs and Home Prices

- Homeowners with incomes up to 140% of the area/state median are eligible.
- Costs eligible for tax credits cannot exceed 80% of the U.S. median new home price (\$257,200 in 2019).

- Sales prices are limited to four times the metro area or state median family income (MFI). Example: if MFI is \$65,000, the sales price limit is \$270,000. Higher limits apply to homes with 2-4 units.
- A homeowner who sells a NHIA home within five years will repay part of the gain (profit) to the state to support additional similar activity: 50% in year 1, phased down to 10% in year 5.
- Limitations on eligible neighborhoods, tax credit amounts, sale prices, homeowner incomes, and short-term resales all support neighborhood revitalization without gentrification.

How the NHIA Would Work

1. States allocate NHIA tax credits on a competitive basis.

- States publish allocation plans. Project selection criteria include: (1) neighborhood need for new or rehabilitated homes; (2) neighborhood revitalization strategy and impact; (3) sponsor capability; (4) likely long-term homeownership sustainability; and (5) any State criteria.
- States set standards for construction cost and quality and developer fees.
- States allow only the tax credits reasonably needed for financial feasibility.
- 10% of each state's allocations are set aside for nonprofit sponsors.

2. Project sponsors raise capital from investors and use it to finance home construction and substantial rehabilitation. Sponsors would include developers, lenders, and local governments.

- Project sponsors develop the homes or work with builders and homeowners.
- Tax credits cover the gap between development cost and sales price, up to 35% of the cost of construction, rehabilitation, property acquisition, demolition, and environmental remediation.
 - For rehabilitation of homes for current owner-occupants, tax credits cover the gap between the rehab cost and the homeowner's contribution, up to 35% of rehab cost.
- Clear, simple requirements ease compliance and accommodate small-scale projects.

3. Investors claim tax credits after homes are completed, inspected, and owner-occupied.

- Homeowners make down payments and obtain mortgages to cover the homes' sale price. The tax credit covers the gap between the development cost and the sale price.
- Sponsors may use allocated but unneeded tax credits for additional homes.

NHIA Home Financing Example

Property acquisition	\$ 50,000
Construction or rehabilitation	<u>150,000</u>
Total development cost	\$ 200,000
Less: Sales price	<u>- 160,000</u>
NHIA tax credit = value gap	\$ 40,000

Estimated Impact over 10 Years

Based on the financing example above, the impact over 10 years would include:

- 500,000 homes built or substantially rehabilitated
- \$100 billion of total development activity
- 785,714 jobs in construction and construction-related industries
- \$42.9 billion in wages and salaries
- \$29.3 billion in federal, state, and local tax revenues and fees